

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FEB - 9 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)	
)	
Cosat Corporation)	CC Docket No. 96-45
)	
Petition for Partial Waiver of the Universal Service)	
Contribution Requirement Contained in Section 54.703)	
of the Commission's Rules)	

COMMENTS

Sprint Corporation hereby respectfully submits its comments in the above-captioned proceeding in response to the Public Notice released January 30, 1998 (DA 98-185). In this petition, Cosat Corporation has requested partial waiver of Section 54.703 of the Commission's Rules to allow it to exclude its international revenues in computing its contributions to the universal service funds, and to instead base such contributions only on Cosat's interstate, domestic revenues. Cosat states (Petition, p. 1) that because its international revenues greatly exceed its domestic interstate revenues, requiring it to contribute to universal service on the basis of both its international and domestic revenues "will yield a Universal Service tax bill that actually exceeds all of COMSAT's interstate revenues combined." As discussed briefly below, Cosat's request for waiver should be denied because it has erroneously assumed that the benefits of the Commission's universal service plan accrue only to domestic interstate traffic.

Cosat complains (Petition, p. 7) that its small amount of interstate revenues "triggers Universal Service liability for the remaining ninety-nine plus percent of COMSAT's business that is actually international." However, Cosat does not describe the nature of its international revenues, that is, whether such revenues derive from calls between two foreign points (which

need not be included in the USF revenue base), or from “communication or transmission from or to any place in the United States to or from a foreign country...”¹ (revenues which are required to be included in the USF revenue base). To the extent that Comsat has included its purely international revenues, it has overestimated its USF obligation. If, on the other hand, most or all of Comsat’s international revenues are associated with traffic to or from the United States, then it derives a genuine “benefit from universal service because [it] must either terminate or originate telecommunications on the domestic PSTN” (*id.*) and its international revenues should accordingly be included in the revenue base used to calculate its USF obligation.

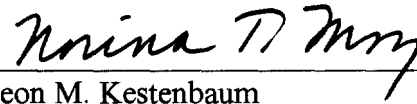
Comsat also appears to dispute the interstate nature of calls placed to or from Guam, American Samoa, Wake Island and the Northern Mariana Islands. Comsat characterizes such calls as being “clearly international in character” (Petition, p. 5). However, because these islands are all part of the United States, calls between these islands and the U.S. mainland, as well as calls between these islands, are all appropriately classified as domestic interstate and revenues from such calls are properly included in the USF contribution base.

Because Comsat has not adequately demonstrated that the benefits of universal service outweigh the alleged harm it will suffer if Section 54.703 of the Rules is applied to it, the instant petition for waiver should be denied.

¹ *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *Report and Order* released May 8, 1997, para. 836, citing 47 U.S.C. Section 153(17).

Respectfully submitted,

SPRINT CORPORATION

A handwritten signature in cursive script, reading "Norina T. Moy", written in dark ink.

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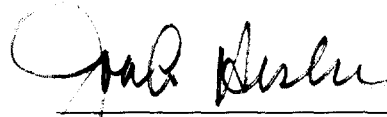
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February 9, 1998

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Comments of Sprint Corporation was Hand Delivered or sent by United States first-class mail, postage prepaid, on this the 9th day of February, 1998 to the parties on the attached service list:


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